

January 8, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

FEDERAL LEGISLATIVE UPDATE: 108th CONGRESS CONVENES

On January 7, 2003, the 108th Congress convened with the swearing in of members. The membership of the Los Angeles County delegation expanded with the addition of Representatives Bill Thomas and Dana Rohrabacher, whose districts include portions of the County, and newly elected Representative Linda Sanchez, representing the new 39th Congressional District. Representative Ed Royce no longer is part of the County's delegation as he now represents the 40th Congressional District, which is entirely in Orange County. Attached are the names and addresses of the County's delegation (Attachment I). Attachment II is the tentative Congressional calendar for 2003.

The House and Senate will begin making committee assignments this week, but this process may not be completed until the end of the month.

Congress also is expected to adopt another Continuing Resolution (CR) to fund Federal operations and programs through January 31, 2003. The current CR, which provides temporary funding at Federal Fiscal Year (FFY) 2002 levels, expires on January 11, 2003. Before adjourning last year, Congress passed only two of the 13 appropriations bills for FFY 2003. Appropriators hope to agree on an omnibus package encompassing the remaining appropriations bills, which contain funding for all discretionary

state and local grant programs, before the President gives his State of the Union address on January 28, 2003. Negotiations on a final package, however, may prove difficult because appropriators have agreed to live within an overall discretionary spending level of \$750.5 billion for FFY 2003, which may require cuts to last year's Senate appropriations bills which were supported by many Republican Senators. The CR also could become the vehicle for other bipartisan legislation to renew or extend authorizations of expired programs, including the renewal of the national flood insurance program and another short-term extension of the Temporary Assistance for Needy Families (TANF) program.

Congress also will need to turn its attention to the FFY 2004 budget soon. The President's proposed FFY 2004 budget is expected to be released on February 3. The Administration has signaled that it will propose freezing domestic discretionary funding in FFY 2004 at current levels, with the exception of homeland security programs.

Economic Stimulus Plans: This week, both President Bush and congressional Democrats released sketches of competing economic stimulus plans. As reported in the press, the President's ten year, \$674 billion package eliminates the tax on dividends and accelerates a number of tax cuts that were to be phased-in in later years. The Administration also proposes a \$3.6 billion package of aid allowing unemployed workers to receive up to \$3,000 for training, child care and other expenses.

The congressional Democratic \$136 billion plan includes a one-year, \$10 billion boost in Federal matching payments to states for Medicaid. It also would include \$10 billion to fund homeland security needs, including port security and first responders. An additional \$6 billion would be available to restore cuts in key domestic programs.

On the tax side, Democrats propose a \$300 tax rebate for working individuals (\$600 for couples) and increases in the deductions small businesses could take in 2003.

There are no detailed specifics on either plan. Both face uphill legislative battles. Republican Senators, including Sens. McCain (AZ) Chafee (RI) and Collins (ME) have expressed concerns about the Bush proposal, as well as Ways and Means Chair Thomas (R-CA).

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The Democratic plan has been criticized as a re-introduction of old proposals.

We will continue to keep you advised of any new developments.

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Attachments

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist